

**ELECTRONICALLY  
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SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CIVIL COMPLEX CENTER**

(Exempt from filing fees  
per Govt. Code, § 6103)

**May 08 2007**

ALAN SLATER, Clerk of the Court  
by M. CORREA

Duane C. Miller, #57812  
Michael D. Axline, #229840  
A. Curtin Sawyer, Jr., #101324  
Tracey L. O'Reilly, #206230  
Tamarin E. Austin, #207903  
Evan Eickmeyer, #166652  
Daniel Boone, #148841  
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Attorneys for Plaintiff  
Orange County Water District

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**IN AND FOR THE COUNTY OF ORANGE**

ORANGE COUNTY WATER DISTRICT,  
Plaintiff,

v.

NORTHROP CORPORATION; NORTHROP  
GRUMMAN CORPORATION; AMERICAN  
ELECTRONICS, INC.; MAG AEROSPACE  
INDUSTRIES, INC.; GULTON  
INDUSTRIES, INC.; MARK IV  
INDUSTRIES, INC; EDO CORPORATION;  
AEROJET-GENERAL CORPORATION;  
MOORE BUSINESS FORMS, INC.; AC  
PRODUCTS, INC.; FULLERTON  
MANUFACTURING COMPANY;  
FULLERTON BUSINESS PARK LLC; and  
DOES 1 through 400, inclusive,

Defendants.

) CASE NO. 04CC00715

)  
) **PLAINTIFF ORANGE COUNTY WATER**  
) **DISTRICT'S APPLICATION FOR**  
) **DETERMINATION OF GOOD FAITH OF**  
) **SETTLEMENT AND DECLARATION OF**  
) **DUANE C. MILLER IN SUPPORT**  
) **THEREOF**

) Complaint Filed: December 17, 2004  
) Trial Date: March 17, 2008

) Time: 9:30 a.m.  
) Dept.: CX104  
) Judge: Hon. Thierry P. Colaw

1 Plaintiff Orange County Water District hereby applies to the above-entitled Court in  
2 accordance with the provisions of Code of Civil Procedure section 877.6(a)(2), for a  
3 determination that the settlement described below was entered into in good faith.

4 1. Settling Parties: The parties to the settlement are plaintiff Orange County Water  
5 District, and defendants The Alan and Kay Needle Trust Dated March 19, 1993, Country Affaire,  
6 Inc., Alan Needle, Kay Needle, Anaheim Extrusion Co., Inc., and Dominick Baione.

7 2. Terms: The basis and terms of the settlement are releases of all claims by the  
8 plaintiff in consideration for the amounts set forth below. The terms further provide that the  
9 settlement is a compromise of disputed claims, is not an admission of liability, and the settling  
10 parties are to each bear their own costs of suit, expert expenses, and attorneys' fees. Plaintiff  
11 also waives the provisions of California Civil Code section 1542. No claims have been assigned.  
12 This settlement is also contingent upon approval by this Court of a determination that the  
13 settlement has been made in good faith.

14 3. Amount: The total amount of the settlement is \$300,000, which is a fair and  
15 reasonable consideration for the compromise, release, and waiver of the claims stated herein, and  
16 is in accordance with the standards set forth in *Tech-Built, Inc. v. Woodward Clyde & Associates*  
17 (1985) 38 Cal.3d 488. The Settling Defendants purchased 1551 East Orangethrope, Fullerton,  
18 California, after it was documented through environmental investigations that previous occupants  
19 of the property contaminated the property with VOC's. The settling defendants are the current  
20 owners and prospective purchasers of the property. Any credit from the settlement would be  
21 applied to the 1551 East Orangethrope site.

22 The settlement amounts allocated to the plaintiff are listed as follows:

- 23 (a) Plaintiff, Orange County Water District;  
24 (b) Amount: \$300,000;  
25 (c) Site: 1551 East Orangethrope, Fullerton, California.

26 4. List of Parties: The following is a list of all current parties to this action:

- 27 (a) Plaintiff: Orange County Water District  
28 (b) Defendants: AC Products, Inc.; Aerojet-General Corporation; Alcoa

1 Global Fasteners; American Electronics, Inc.; Anaheim Extrusion Co.  
2 (Doe 190) Arnold Engineering, Inc.; Dominick Baione (Doe 110); CBS  
3 Broadcasting, Inc.; Country Affaire, Inc. (Doe 106); Crucible Material  
4 Corporation; EDO Western Corporation; Fairchild Corporation; Fullerton  
5 Manufacturing Company; Gulton Industries; Khyber Foods, Inc.; MAG  
6 Aerospace Industries, Inc.; Mark IV, Industries, Inc.; Meggitt Defense  
7 Systems, Inc.; Moore Wallace North America; Alan Needle (Doe 107);  
8 Kay Needle (Doe 108); Northrop Grumman; Northrop Grumman Systems  
9 Corporation; PCA Industries LLC; Raytheon Company; Telex  
10 Communications Holdings, Inc.; The Alan & Kay Needle Trust Dated  
11 March 19, 1993 (Doe 105); and Weyerhaeuser Co.

12 5. Pleadings Affected by Settlement: The following is a list of each pleading or  
13 portion of pleading affected by the foregoing settlement, including the date thereof:  
14

15 (a) First Amended Complaint for Damages and Other Relief (VOC  
16 Contamination): (1) Orange County Water District Act; (2) California  
17 Superfund Act; (3) Negligence; (4) Nuisance; (5) Trespass; and (6)  
18 Declaratory Relief.

19 6. Request for Dismissal: Defendants The Alan and Kay Needle Trust Dated March  
20 19, 1993, Country Affaire, Inc., Alan Needle, Kay Needle, Anaheim Extrusion Co., Inc., and  
21 Dominick Baione hereby requests dismissal of the following pleadings, or portions of pleadings:  
22

23 (a) First Amended Complaint for Damages and Other Relief (VOC  
24 Contamination): (1) Orange County Water District Act; (2) California  
25 Superfund Act; (3) Negligence; (4) Nuisance; (5) Trespass; and (6)  
26 Declaratory Relief.

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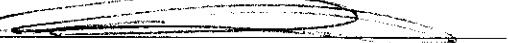
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1 This Application is also based on the Declaration of Duane C. Miller set forth below,  
2 which is incorporated herein by reference.

3 Dated: May 7, 2007

Respectfully submitted,

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5 MILLER, AXLINE & SAWYER  
6 A Professional Corporation

7  
8 By   
9 DUANE C. MILLER  
10 Attorneys for Plaintiff

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1. I am an attorney at law duly admitted to practice law in the State of California. I am the attorney of record for plaintiff Orange County Water District in the above-referenced action.

- (a) Notice of Settlement and Notice of Application for Good Faith Determination;
- (b) Application for Determination of Good Faith Settlement, and Declaration of Duane C. Miller in Support Thereof; and
- (c) Proposed Order of Determination of Good Faith Settlement.

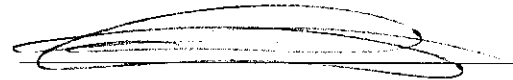
4. Based on our investigation completed to date, there is evidence that the property known as 1551 East Orangethrope, Fullerton, California, was contaminated with VOC's by previous occupants of the property, and not by the Settling Defendants. Specifically, the phase one environmental site assessment by KE Environmental states in part: "From 1960 through at least 1985, Arnold Engineering Company (Arnold) occupied the Site. Arnold provided stamping and milling services to the electronics industry and used various volatile organic chemicals (VOC's), which included: perchloroethylene (PCE), trichloroethylene (TCE) and many other similar solvents and degreasers. Arnold installed a clarifier in 1974." There is no evidence that the current owner ever used or improperly disposed of VOC's on the premises. The remaining

1 Settlement Defendants are purchasers who have not disposed of any chemicals on the site, to our  
2 knowledge.

3 5. All provisions of Code of Civil Procedure section 877.6(a)(2) for obtaining a good  
4 faith determination of settlement have been complied with.

5 I declare under penalty of perjury under the laws of the State of California that the  
6 foregoing is true and correct.  
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8 Executed this 7 day of May 2007, at Sacramento, California.

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11 DUANE C. MILLER  
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